

HEALTH CARE FINANCING ADMINISTRATION OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 00-49	2. STATE Louisiana
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE October 21, 2000	

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 441.297	7. FEDERAL BUDGET IMPACT: a. FFY 2001 \$1750.00 b. FFY 2002 \$-0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Item 1, Page 10e <div>REPLACE PER STATE'S LETTER DATED 04-26-01 SEE ATTACHED</div>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 99-13) pending Same (TN 99-18) pending Same (TN 99-13) pending Same (TN 99-09) pending <div>REPLACE PER STATE'S LETTER DATED 04-26-01 SEE ATTACHED</div>

10. SUBJECT OF AMENDMENT: The purpose of this amendment is to modify DSH reimbursement by establishing an additional DSH hospital group for state fiscal year 2001 only. This group includes public non-state hospitals with no more than sixty licensed beds as of July 1, 2000.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED: The Governor does not review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: State of Louisiana Department of Health and Hospitals 1201 Capitol Access Road PO Box 91030 Baton Rouge, LA 70821-9030
13. TYPED NAME: David W. Hood	
14. TITLE: Secretary	
15. DATE SUBMITTED: December 20, 2000	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: DECEMBER 28 2000	18. DATE APPROVED: JUNE 6, 2001
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: OCTOBER 21, 2000	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: for CALVIN G. CLINE	22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:

Pen & ink changes to plan pages per 5/10/01 conference call.

Calvin Cline
April 26, 2001
Page 2

Adding the new group of hospitals slightly changed the composition of the "All Other Hospitals" group on page 10k(2). Language was amended to demonstrate this difference, and the descriptions of the groups included was adjusted by defining urban hospitals as either private urban hospitals or public non-state urban hospitals over 60 beds. Also on this page some descriptions referred to "all" and others did not. For the sake of consistency, the designation "all" was removed because the implication of the description is that every hospital who meets that definition is included, and the term "all" is redundant. Page 10k(3) was added to the transmittal to include reference in the Teaching Acute Care Hospitals pool to hospitals not included in 3.c. (as well as in 3.a. and 3.b.).

Please make pen and ink corrections to HCFA 179 to replace the original pages submitted as follows in blocks 8 and 9:

Block 8	Block 9
10d	same (TN 99-13)
10k	same (TN 99-13)
10k(2)	same (TN 99-13)
10k(3)	same (Tn 99-13)

Please consider this a formal request to begin the 90-day clock. It is anticipated that the above clarifications and additional information will be sufficient to result in approval of the pending State plan amendment. If further information is needed, please contact Virginia Lee at (504)342-1400.

We appreciate the continued assistance of Billy Bob Farrell in resolving these issues.

Sincerely,



Ben A Bearden
Director

Attachments

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PLAN

ATTACHMENT 4.19-A
Item 1, Page 10d

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

OR

- (iii) Effective November 3, 1997 hospitals meeting the definition of small rural hospital as defined in 3.b. below.

OR

- (iv) Effective October 21, 2000 hospitals meeting the definition of small public non-state hospitals as defined in 3.c. below.

AND

- e. In addition to the qualification criteria outlined in Item I.D.1.a.-d. above, effective July 1, 1994, the qualifying disproportionate share hospital must also have a Medicaid inpatient utilization rate of at least one percent (1%).

2. General Provisions for Disproportionate Share Payments

- a. Disproportionate share payments cumulative for all DSH payments under all DSH payment methodologies shall not exceed the federal disproportionate share state allotment for each federal fiscal year or the state appropriation for disproportionate share payments for each state fiscal year. The Department shall make necessary downward adjustments to hospitals' disproportionate share payments to remain within the federal disproportionate share allotment or the state disproportionate share appropriated amount.

The state will allocate the reduction between state and non-state hospitals based on the pro rata share of the amount appropriated for state hospitals and non-state hospitals multiplied by the amount of disproportionate share payments that exceed the federal disproportionate share allotment.

The reduction will be allocated between the non-state hospital groups based on the pro rata share of each group's payments divided by the sum of payments for all groups.

Methodologies for hospitals within groups are found as follows:

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DATE APFV'D	<u>6-6-01</u>
DATE EFF	<u>10-21-00</u>
HCFA 179	<u>TN 00-49</u>

TN# _____
Supersedes
TN# _____

Approval Date _____

Effective Date _____

SUPERSEDED: TN# 99-13

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PLAN

ATTACHMENT 4.19-A
Item 1, Page 10k

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

c. Small Public Non-State Hospitals

- 1) A Small Public Non-State Hospital is defined as a hospital (including hospitals with distinct psychiatric units, but excluding long term care, rehabilitation, or free standing psychiatric hospitals) that is owned by a local government; has no more than sixty licensed beds as of July 1, 2000; and meets the qualifying criteria for disproportionate share hospital in I.D.1 but is not included in I.D.3.a. or I.D.3.b.
- 2) Disproportionate share payments for state fiscal year 2001 to each qualifying small public non-state hospital are equal to that hospital's pro rata share of uncompensated costs for all hospitals meeting these criteria for the cost reporting period ended during the period of April 1, 1999 through March 31, 2000 multiplied by the amount set for this pool. If the cost reporting period is not a full period (twelve months), actual uncompensated cost data for the previous cost reporting period may be used on a pro rata basis to equate to a full year. Disproportionate share payments made to small public non-state hospitals after state fiscal year 2001 will be made in accordance with the methodology for the DSH group for which they qualify in subsequent years, if any.
- 3) A pro rata decrease necessitated by the conditions specified in 2.a. above for small public non-state hospitals described in this section will be calculated using the ratio determined by dividing the qualifying small public non-state hospital's uncompensated costs by the uncompensated costs for all small public non-state hospitals in this section, then multiplying by the amount of disproportionate share payments calculated in excess of the federal DSH allotment or the state DSH appropriated amount.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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ATTACHMENT 4.19-A
Item 1, Page 10k(2)

STATE OF LOUISIANA

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL CARE

d. All Other Hospitals (Private and Public Non-State Rural Hospitals Over 60 Beds, Private Urban Hospitals, Public Non-State Urban Hospitals Over 60 Beds, Free-Standing Psychiatric Hospitals exclusive of State Hospitals, Rehabilitation Hospitals and Long-Term Care Hospitals)

1) Criteria for hospitals to be included in this group are as follows:

- a) Private and public non-state rural hospitals over 60 beds - privately owned and non-state government owned acute care general, rehabilitation, and long term care hospitals including distinct part psychiatric units having more than 60 beds that are not located in a Metropolitan Statistical Area as defined per the 1990 census. This excludes any reclassification for Medicare.
- b) Private urban hospitals - privately owned acute care general, rehabilitation, and long term care hospitals including distinct part psychiatric units that are located in a Metropolitan Statistical Area as defined per the 1990 census. This excludes any reclassification under Medicare.
- c) Public non-state urban hospitals over 60 beds - non-state government owned acute care, general, rehabilitation, and long term care hospitals including distinct part psychiatric units not included in I.D.3.c. that are located in a Metropolitan Statistical Area as defined per the 1990 census. This excludes any reclassification under Medicare.
- d) Free-standing psychiatric hospitals exclusive of state hospitals - privately owned and local government owned psychiatric hospitals of any size.
- e) Rehabilitation hospitals and long-term care hospitals - hospitals which meet Medicare specialty designation as these types of hospitals.

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ATTACHMENT 4.19-A
Item 1, Page 10k(3)

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- 2) Annualization of days for the purposes of the Medicaid days pools is not permitted. Payment is based on actual paid Medicaid inpatient days for a six month period ending on the last day of the latest month at least 30 days preceding the date of payment which will be obtained by DHH from a report of paid Medicaid days by service date.
- 3) Payment is based on Medicaid days provided by hospitals in the following three pools:
 - a) Teaching Acute Care Hospitals - acute care hospitals (exclusive of distinct part psychiatric units) not included in I.D.3.a., I.D.3.b., or I.D.3.c. above which are recognized under the Medicare principles of reimbursement as approved teaching hospitals. Rehabilitation, long term care, and freestanding psychiatric hospitals are always classified as such, and therefore not at any time classified as teaching hospitals, even if they have a GME program.
 - b) Acute Care Hospital - acute care, rehabilitation, and long term care hospitals not described in I.D.3.a., I.D.3.b., or I.D.3.c. above (excluding distinct part psychiatric units) are qualified for this designation.
 - c) *hospitals with* Psychiatric Hospital - Freestanding psychiatric hospitals and distinct part psychiatric units not included in I.D.3.a., I.D.3.b., or I.D.3.c. above are qualified for this designation.

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